

Message Text

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53

ACTION EB-07

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 NEA-10 ISO-00 IO-10

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

FEAE-00 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05

OMB-01 PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04

TRSE-00 PA-01 PRS-01 OIC-02 /134 W

----- 048757

P R 300917Z SEP 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC PRIORITY 2550

INFO AMEMBASSY ALGIERS

AMEMBASSY BRASILIA

AMEMBASSY CARACAS

AMEMBASSY KINSHASA

AMEMBASSY NEW DELHI

AMEMBASSY BONN

AMEMBASSY DUBLIN

AMEMBASSY ROME

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY COPENHAGEN

AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY VIENNA

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

AMEMBASSY ANKARA

US MISSION OECD PARIS

AMEMBASSY PARIS

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C O N F I D E N T I A L JIDDA 6681

E.O. 11652: GDS
TAGS: ENRG, SA
SUBJECT: PREPARATION FOR PREPCON II

REFS: STATE 231097 STATE 231000

SUMMARY: 1. PETROLEUM MINISTER YAMANI WILL NOT RETURN FROM THE RECENT OPEC MEETING UNTIL OCTOBER. EMBASSY WAS ABLE, HOWEVER, TO DISCUSS MATTERS IN REFTELS WITH ABDULHADY TAHER, GOVERNOR OF PETROMIN, AND SAUDI ARABIA'S REPRESENTATIVES AT THE GROUP OF SEVEN MEETING IN GENEVA. TAHER'S COMMENTS ON SAUDI POSITION ARE NOT FINAL, BUT ARE FAIRLY DEFINITIVE. DESCRIPTION FOLLOWS: END SUMMARY.

2. CHAIRMAN: TAHER WAS UNPREPARED TO DISCUSS SELECTION OF CHAIRMAN OF MINISTERIAL (REF B NOT ENTIRELY CLEAR, BUT WE ASSUME CYAIRMANSHIP REFERRED TO WAS OF MINISTERIAL). HE SAID HE WOULD BE WILLING TO DISCUSS THE U.S. SUGGESTION WITH THE REST OF THE GROUP OF SEVEN AND THEY WOULD ARRIVE AT A JOINT POSITION. EMBOFF'S IMPRESSION WAS THAT TAHER'S REACTION TO U.S. SUGGESTION WAS NEGATIVE, BUT NOT STRONGLY SO.

3. SECRETARIAT: TAHER DOES NOT, RPT NOT, OBJECT TO HOLDING SECRETARIAT TO MINIMAL STRUCTURE AT OUTSET. HOWEVER, HE POINTS OUT THAT IF THE PRODUCER/CONSUMER CONFERENCE IS TO ASSUME A SEMI-PERMANENT NATURE IT WILL NEED A SEMI-PERMANENT SECRETARIAT. IF EACH COMMISSION DEVELOPS A COMPETENT AND ADEQUATE SEMI-PERMANENT STAFF THEN CERTAINLY NO LARGE SECRETARIAT WOULD BE NECESSARY. ACCORDING TO TAHER, THE GROUP OF SEVEN INTEND TO INSIST ON CENTRAL COORDINATION OF THE WORK OF THE COMMISSIONS.

4. TAHER INTERPRETS SEC KISSINGER'S SPEECH AT THE U.N. AND OTHER RECENT
U.S. POLICY DECLARATIONS VIS-A-VIS THE DEVELOPING COUNTRIES AS OPENING THE DOOR TO A NUMBER OF KEY ISSUES WHICH WILL DEMAND FAR MORE THAN ONE YEAR OF ATTENTION. ALTHOUGH SAUDI ARABIA ORIGINALLY CONCEIVED OF A PRODUCER/CONSUMER CONFIDENTIAL

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REFERENCE OF LESS THAN ONE YEAR DURATION, TAHER BELIEVES THAT IDEA MUST BE ABANDONED. EMBASSY IS UNCLEAR OF TIMING WHICH DEPARTMENT HAS IN MIND HERE, BUT CLEARLY TAHER HAS IN MIND MOVING FAIRLY RAPIDLY TOWARD CREATION OF COMMISSION STAFFS WHOSE EFFORTS WILL BE COORDINATED BY A CENTRAL SECRETARIAT. LATTER WOULD NOT NEED TO DUPLICATE SUBSTANTIVE PERSONNEL WORKING ON COMMISSIONS. EMBASSY POINTED OUT THAT SECRETARY'S SPEECH MARKED A MAJOR

TURNING POINT IN U.S. POLICY, BUT THAT THE PRODUCER/CONSUMER CONFERENCE WAS NOT NECESSARILY THE PROPER FORUM FOR DISCUSSION OF THE MANY IDEAS PUT FORTH IN THE SPEECH.

5. OBSERVERS: TAHER'S INTERPRETATION OF THE "RIGHT TO PARTICIPATE BY OBSERVATION" IS ESSENTIALLY THAT EVERY PARTICIPANT WILL SYSTEMATICALLY SEND OBSERVERS TO THOSE COMMISSIONS ON WHICH IT IS NOT AN ACTIVE PARTICIPANT. THOSE OBSERVERS WILL NOT PRESENT THEIR VIEWS DIRECTLY, BUT THROUGH THE COORDINATOR OR REPRESENTATIVE OF ITS "GROUP" (E.G. GROUP OF SEVEN). ACCORDING TO TAHER, EACH OF GROUP OF SEVEN WOULD PLAN TO BE ON TWO COMMISSIONS, WHILE OBSERVING IN THE REMAINING TWO COMMISSIONS. HE DID ADMIT, HOWEVER, THAT IN A "VERY SERIOUS" SITUATION AN OBSERVER MIGHT WISH TO INTERFERE DIRECTLY IN COMMISSION, AND THAT SUCH ACTION COULD CAUSE PROBLEMS. TAHER DID NOT WISH TO GO INTO QUESTION OF IEA AND OTHER OBSERVERS, AND EMBASSY DID NOT PRESS.

6. AGENDA: TAHER APPEARS TO BE IN AGREEMENT WITH "SHORT AND NON-CONTROVERSIAL" AGENDA. HE DID SPECIFY THAT THE AGENDA MUST, OF COURSE, LAY DOWN A MINIMUM OF PROCEDURAL DETAILS, ON RECONVENING OF MINISTERIAL, ETC., AND MUST PROVIDE UNEQUIVOCALLY FOR THE CREATION OF THE FOUR COMMISSIONS.

7. TERMS OF REFERENCE: TAHER IS CONCERNED THAT THE FRENCH PROPOSAL, AS IT NOW STANDS, LEAVES OUT THE CRITICAL FACTOR OF LINKAGE BETWEEN FOUR COMMISSIONS. EACH COMMISSION CAN INDEED WORK OUT ITS OWN DETAILED TERMS OF REFERENCE, BUT A BROAD FRAME OF REFERENCE MUST BE SPELLED OUT ON SUBJECT MATTER OF EACH COMMISSION. WITHIN THESE GUIDELINES AIMED AT ASSURING THAT THE WORK OF THE COMMISSIONS WILL BE CONFIDENTIAL

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PLEMENTARY, NOT COMPETITIVE, ELABORATION OF PROCEDURAL DETAILS AND MORE EXACT TERMS OF REFERENCE CAN BE LEFT TO EACH COMMISSION. EACH COMMISSION SHOULD REPORT PERIODICALLY WITHIN THE BROAD FRAME OF REFERENCE SET DOWN, ON ITS PROGRESS. SOME SORT OF TEMPORAL FRAME OF REFERENCE WOULD ALSO BE NECESSARY TO MAKE SURE WORK IS COMPLETED WITHIN A REASONABLE TIME FRAME, AND THAT WORK IN EACH COMMISSION PROCEEDS AT APPROXIMATELY THE SAME PACE.

7. EMBASSY PRODDED IN AREA OF FINANCIAL AND MONETARY COMMISSION TO DETERMINE WHETHER ANY ACTUAL SUBSTANTIVE DISCUSSIONS HAVE TAKEN PLACE ON ISSUES. APPARENTLY ANSWER IS GROUP OF SEVEN AND PROBABLY SAG ARE STILL TALKING IN GENERALITIES AMONG THEMSELVES, AS WELL AS TO US ON THIS ISSUE. SAUDI ARABIA DOES EXPECT TO BE

A MEMBER OF THE FINANCE AND MONETARY COMMISSION, AS WELL
AS ENERGY.

8. QUESTION OF SITE WAS NOT RAISED.
AKINS

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